



Chairman: Frank J. Vala

Members: Ed Bedore, Bill Black, Larry Ivory, Ricardo Morales

Minutes – July 16, 2019

Present in Springfield: Bill Black
Larry Ivory
Ed Bedore

Via Telephone: Rick Morales

Acting Chairman Ed Bedore called the July meeting of the Procurement Policy Board to order.

Acting Chairman Bedore made a motion to accept the meeting minutes as printed. Member Morales “so move” with Member Black seconding and all members voting “aye” the motion carries. Acting Chairman Bedore says for discussion on our minutes. I have a few questions regarding the new lease Procurement process. Back in April, 90 days ago we note in the minutes, that we were working on revisions to lease documents. Do we have any update on that? Executive Director von Behren says he has not seen any updates as far as any changes that have been made, we will reach out to CMS and make sure that is an agenda item for our next meeting. Acting Chairman Bedore says he has a comment about the digitization of the records. We have the Auditor General report about the lack of inventory control at DOIT. I think that falls under this Board. This is a major issue I think we should be looking into. We need to reach out those agencies and see where they are with regards to digitalizing their records.

Next item on the agenda is the Conflict of Interest Policy which we all have a copy of. I have one question on the word “personal relationship” Jeff can you explain? Mr. Jurgens states this might be something we want to flush out sometimes in these types of policies, you will see a expand beyond a financial interest, and they will talk about some personal relationship. So, this would apply if you have a relationship with somebody that had something that came before the Board you would recuse yourself. This is probably on a stricter end of a policy this might be something that we define a little further, or maybe just take that portion out, and leave it to a purely financial interest, or an organizational interest that’s what is applied there. Member Ivory states in his role as a State President of the Illinois Black Chamber of commerce, I have a lot of interest what we consider in the guidelines of what we consider to be conflict of Interest. I may need clarification to make sure I stay with the guidelines. For instances if I see a procurement come out and it has no minority goals on it. Because I’m on the BEP Counsel this is something that Members would not participate in because it’s not minority participation is that a conflict of interest we need to clarify that. Mr. Jurgens says so I guess that where I would go back in and we keep it strictly at a financial Interest because obviously that would be a financial interest. I think in a situation like that I think the intent of the statue, and the role of the Board is they want people with diverse back grounds and were going to advocate for those different interests. So, this is not intended to prevent something like that. This will be something more design if you

you're not acting independently in the best interest of Board, and of the State. But the financial interest is clear, but you got some kind of bias because of some personal relationship or something like that, and again that's hard to define and lots of times they will see in policies like this they will leave it up to the Member to decide whether they can be objective to the matter or not. But this might be something that we leave as a financial interest. Member Ivory gives one more example when your African American, Hispanic, Caucasian people will call and say this procurement out there is wrong, and you need to look at that. Executive Director von Behren states that this is still in the draft policy that's why its being presented to you, so you guys can have this for discussion. I'll work with Jeff we will come up with either a more defined definition of what that means, or we will be edited it out, and present it at the next meeting for you guys to look at to see if it's a little more reasonable. Member Morales says so many gray areas have been discussed serving on the Village Board just because I know somebody that is presenting a bid so, do I recuse myself because I know that individual and I have no interest in their company. I won't be gaining anytime of financial interest, but I do disclose that I might know the individual, but if there is any type of financial interest, I will recuse myself from that, our policy does not (at least for the Village) provide for a personal relationship it provides for financial. So, I'm familiar with that so I'm leaning towards that right now in agreement with what Matt is talking about. Mr. Black states that Rick has summarized what my concerns are with the Board that I serve on, its better to be just out front. If a guy presenting a bid to a Government agency is a close personal friend of yours, you should just say that and vote if your comfortable doing that. But that personal relationship can get awful tricky. Acting Chairman Bedore states Matt, and Jeff get to work on that, and present it at the next meeting.

The next agenda item is the policy of agency representatives being here for leases. Acting Chairman Bedore states the only question he has, and Matt can explain this, The Board monthly meeting the Lease being presented maybe rejected by the Board Matt you want to explain? Executive Director von Behren says there was discussion the Board had suggested that part the policy be if an Agency Representative is not present at the meeting, the Board would not then vote on that lease. What I wanted to do is leave the Board some room to make a determination. I would suggest that if the Board Members want and a Lease comes before them, and an Agency Representative isn't here to answer questions, the Board may either reject the Lease or vote not to approve the lease. By leaving the language as "may" instead of "shall" it allows some room that one time out of a hundred, somebody was supposed to be here and missed a flight, traffic and couldn't come and the Board was perfectly okay with the Lease, and the board wanted to approve it anyways this allows the Board some flexibility to still be able to approve that Lease without the Representative here, and not putting you in a box where it says you can't approve the Lease, because you have a policy that's says you won't. So, this still allows you to be able to reject, or not approve a Lease by an Agency Representative not being here, but it also allows you to approve it if you so choose. Mr. Jurgens also add on to that. I think if we went with shall it would be situation where we might be required to do some rule making. Because then were setting up a new require, this is basically sending a message like hey you better be here. But if we go with it's an absolute rejection then were setting some new requirements, and definitely looking at some rule making. This is still sending the same message, and obviously to can reject it now anyway this is just putting into writing what the practice is going to be and letting everybody aware that this is a real possibly. Member Black says that he likes shall in this position, and your comments about rule making are well said. I would like to give us more of a

you like to take action, but you can't be here to explain it. Executive Director von Behren says but if we leave it as 'may' and Agency gets their Lease rejected perhaps that sends you a message that people need to be here because we can say we have done it in the past and we will do it again based on our policy. That was my reasoning of the language and again this is here in front of you guys to discuss the language, and decide what you want because ultimately, you're the final decision makers. Member Morales asks can we go with shall with additional wording there has to be away to say shall unless the Board thinks otherwise something to that effect. Acting Chairman Bedore asks Mr. Jurgens, to my understanding if we use the word shall then that means we have to go through the rule making process? Mr. Jurgens Replies I think would need to look at that and make sure were on solid ground there. it seems like to me were establishing new requirements. Member Black says it would be a sufficient change its not presently before any of those people. Member Morales says we talked early as Ed mentioned about why can't we get department heads to attend PPB meetings. Well we don't hold them accountable. If they don't want to come, they don't get to come. Executive Director von Behren states that Mr. Jurgens and he can dive into some of the requirements for rule making. Acting chairman Bedore asks how long would the rule making process take months? Mr. Jurgens replies yes multiple months, maybe even a year. Mr. Bagby says a minimum of 3 months. Mr. Jurgens says we could go on two separate tracks, you could adopt the current language and set the policy and we explore is rule making would be required for the 'shall' language. Acting Chairman Bedore says that's a very good point. We could pass this policy statement with "may" and work on the rule making to put "shall". Executive Director von Behren says CMS is on board with us requiring other agencies to be here, they want that. Because they don't have the answers to everything, the CPO's office reached out to me and they think it completely reasonable to have a Representative here. CMS has also sent me contact individuals who handle each Agency, so I can reach out to there people to let them know this is our policy now, and then reach out to them before the meeting, and say you have two leases on the agenda next month you need to have a representative present, so you have several agencies that are in agreement with this sort off policy requiring a Agency Representative to be here. Acting Chairman Bedore asks do we want to pass it the way it is, and then work on changing. Executive Director von Behren says that's perfectly acceptable if you want to do that. Member Morales says Mr. Chairman I would recommend that we do that, Member Ivory, and Member Black all agree. We have a motion to go with the Lease review policy statement the way its printed do I have a motion on that Member Black so move with Member Ivory seconding the motion with all Member voting "aye" motion carries.

Next on the agenda no Legislation to report. Acting Chairman Bedore says were trying to get a consensus from the Board what day of the month to meet? We seem to be having a problem since this is are first meeting since April we have had only two meetings this year, its important for us to realize that Legislation under Govern Rauner raise its ugly head again. Where he wanted to do away with this Board, and if we don't have a meeting then were feeding into that idea. Meeting twice a year why the hell do we need them. What day would we like to see this Board Meet? most Members agree on Tuesday, Wednesday. Executive Director von Behren says second Tuesday of the month we will have a tentative schedule together for fiscal year 2020 and send it out. Acting Chairman Bedore says I know some of our appointments have expire is there a desire to continue on this Board? Executive Director von Behren says he needs to reach out to the Legislative Leaders to get reappointments because I think almost everyone appoints have expired

and haven't been renewed. Acting Chairman Bedore asks do we want to move forward, and serve another term or do we have other commitments, and that we can't participate in this Board anymore? All Members are available and wish to continue on the Board.

Next on the agenda is public comments Acting Chairman Bedore says the new state budget and the CDB, and the Capitol Improvements were all passed. We have some major amounts of money for the University of Illinois. We have Urbana, Champaign, and Chicago, and Springfield \$574 million dollars, worth of improvements. Illinois State \$89 million, Northern \$77 million, and Southern, and including Edwardsville is \$188, and \$23million for Northeastern, and almost \$119 for Eastern you add them all up together and its over a billion dollars' worth of capital improvements. New buildings, a new math and statistics, build a new Science Building, construction \$9 million for a computer search, and Learning Center, \$35 million for a new Library building in Springfield so on and on. So there is going to be buildings in every facility, every branch of the U of I. I know that we have had discussions months ago now, regarding minority participation, Veterans participation and we have found every branch has their own system, and that was bad in the past. When they didn't have that much money what's going to happen in the future when they have \$1.1 billion dollars' worth of new construction. I think we really got to work together here and find out what's going on. The last time we have this discussion, we found out that everybody was doing there own thing. If there is some Legislation that needs to be changed or whatever it is we got to get on it, they have budgets in the past this new one I don't know how the U of I is going to handle it, and we should be very concerned about that. we got to come up with a policy that is followed by all the Universities in a procedure that is all followed.

Member Ivory says we have to define how do we do what's best for the State of Illinois and a strong foot print and with that much money being spent we should have some oversight that's a part of our responsibility. The question how we define what that oversight is, and what do we want to see happen that we can say we impacted in a way that's meaningful that's in the best interest of that state. Acting Chairman Bedore says Bill Black had mentioned this about the Nursing the Building will it was an emergency we had to okay it even though we all knew about it in the last 5 years the Building was condemned, and they would never get a Certificate for Nursing if they stayed in that Building. Whatever happened to that project did it come in on time, on Budget, or what was the Minority participation of that Building we. They had us under the gun to approve the Construction Contract for that Building. Because the Nursing Program wouldn't start the new semester, so we said go ahead and do it, did we ever get a report? Member Morales I agree with your comments it's something that you and I have experience for many years, with Higher Education and it hasn't been under control for some years, and continues to be so, it does need to be looked at a little closer. Member Ivory says he thinks the issue was rules with the CDB was the fact that the rules would allowed you and I remember it being intentionally involved in that conversation. We have never got any real resolution and maybe between Matt and a number of us together have some goals and objectives that we are trying to achieve.

Ben Bagby CPO for Higher Education states he wants to tell us about diversity. First of all, we have a new SPO's and now she is in charge of our New Diversity and Special Programs. She is primarily BEP, Small Business and Veterans and she's going to be the person make sure that all

the SPO's and Universities know that BEP is a short hand for all these others. This is something that has to be thought about all the time. In terms of the State Purchasing officers, I have told each of them they have been doing this for a while, that each solicitation there is a BEP goal, and that the Universities have to justify whatever goal they have or don't have. There are situations where a goal is not appropriate. We have a monthly meeting. I call tell all the University Purchasing Directors and BEP is always an agenda item. Mr. Bagby talks about how he is involved with BEP and has been involved since, it started and has helped write the rules, and which they are still operating and do need to be adjusted and we are also working with them on that. BEP is not something they are not interested in we are pushing it. The CPO role is limited the BEP act establishes that State agencies establish the goals in any particular project and they deal with the utilization plans. I only come in on couple situations primarily just to publish results. But we still have to push a button to approve a transaction. Mr. Ivory says if he could speak to that issue I do recognize the fact the Junior colleges, and the Community Colleges are God awful in terms of their performance across the Board and that was documented facts, even going back years ago none of the Junior Colleges had any minority participation and that's going back 50 or 60 years ago. I see some improvements. There is still more that needs to be done.

Acting Chairman Bedore entertained a motion to adjourn with all parties voting "aye" the meeting adjourned.